

## **Texas General Land Office**

### **House Land & Resource Management Committee Written Presentation**

Good morning, Chair Deshotel and members of the Committee. Thank you for having me here today. For the record, my name is Jeff Gordon, General Counsel of the Texas General Land Office. I am here with Hector Valle, Senior Deputy Director of Communications and Government Relations, and David Repp, our Chief Financial Officer.

I want to give a brief overview of some of the agency's responsibilities.

Every day, the Texas General Land Office impacts the lives of Texans in almost every way-- from schools to jobs, to Veterans, to our state's proud history. We often like to say that we are the agency that rolls up our sleeves and gets to work for the people of Texas.

We manage and utilize over 13 million acres of mineral rights for the Permanent School Fund, oversee and operate the Alamo, and work to preserve and protect the coast.

The GLO also plays an important role in honoring those who have honored us with their military service. We oversee the Veterans Land Board, which is currently celebrating 75 years of service to Texas military Veterans. The Veterans Land Board houses three key programs. First, we provide low-interest loans to our veterans. Second, we maintain four Texas State Veterans Cemeteries, and third, we oversee nine Texas State Veterans Homes, with a tenth set to break ground in the Fort Worth area next year.

### **School Land Board**

The School Land Board ("SLB") oversees the management of private markets real assets investments in the Real Estate Special Fund Account ("RESFA") on behalf of the Permanent School Fund ("PSF"). The net asset value of the RESFA investment portfolio is currently approximately \$4 billion and is diversified across the energy, infrastructure, and commercial real estate sectors. The 10-year average annual return on the RESFA portfolio was approximately 12.5% gross and 10.1% net at September 30, 2020.

In fiscal year 2020, the SLB released \$600 million from the RESFA to the Available School Fund ("ASF") to support K-12 public education in the state and is also releasing \$600 million to the ASF during fiscal year 2021. In addition, the SLB has approved the release of \$415 million to the ASF during fiscal year 2022 and \$460 million during fiscal year 2023, for a total of \$875 million during the 2022-2023 fiscal biennium.

### **Energy**

The Energy Resources Department of the General Land Office manages the oil, natural gas and hard mineral leasing and revenue collection for over 13 million mineral acres dedicated to the PSF, as well as oil and gas rights owned by other state agencies, such as TPWD, TDCJ and

TxDOT. Our Energy Resources staff includes auditors, accountants, landmen, petroleum engineers, geologists and field inspectors, who perform lease sales and negotiate leases; review pooling applications; collect and audit royalty revenues; review oil and gas measurement issues; ensure compliance with lease obligations.

PSF Oil and Natural Gas Revenues:

FY'2019: \$1,031,353,597.50

FY'2020: \$890,396,520.10

FY'2021 to present: \$450 million

**Veterans**

I do want to address our nine Texas State Veterans Homes and the impact of the global pandemic has had on our Veterans. At the onset of COVID-19, the Veterans Land Board (VLB) took immediate proactive actions to mitigate the spread of the virus inside Texas State Veterans Homes. Of course, this disease has proven to be a serious health threat to nursing homes around the country. But the VLB has taken specific actions to protect our veterans. All visitation and screening policies are based off the Center for Disease Control, Texas Health and Human Services Commission and Department of Veterans Affairs recommendations. Visitation policies are continuously updated and communicated to residents and their loved ones.

At this time, all nine of our nursing homes have received two rounds of COVID-19 vaccinations for residents and staff. A third round of vaccination has been scheduled for all of the homes as well and we look forward to a gradual return to normal operating procedures. All protocols issued by the Center for Disease Control, Texas Health and Human Services Commission, and Department of Veterans Affairs are being followed.

**Hurricane Harvey**

The Community Development and Revitalization program has drawn down more than a billion dollars in already expended funds helping Texans recover from Hurricane Harvey – by far the fastest pace set for a disaster recovery program. Our Homeowner Assistance Program has built more than 2,650 homes with 384 more under construction and 1,360 in the construction pipeline. We approved nearly 3,000 Texans for more than \$86 million in reimbursements for out-of-pocket expenses to fix their damaged home through our Homeowner Reimbursement Program. This first of its kind program is now successfully completed.

**Alamo**

At the Alamo, we continue to focus on telling the story of the Battle of 1836 and recapturing the Battlefield. Most of the engineering and architectural work necessary to diagnosing and treating the walls of the Alamo Church and Long Barrack is complete. This work will help save the Alamo for future generations of Texans.

The Alamo's 18 Pounder cannon will come to life when this new exhibit debuts in late March. When Santa Anna demanded the Texans surrender, one shot from this cannon signaled Colonel Travis's answer.

Preliminary designs are also in place for the Alamo Exhibition Hall and Collections Building, which will display the entire Phil Collins' Alamo Collection, so that this collection remains with Texas forever.

### **Conclusion**

Thank you, again, for your interest in the General Land Office, and with that, I am happy to answer your questions.